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C O N F I D E N T I A L SECTION 01 OF 03 MANAMA 000836

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TAGS: PREL PGOV KDEM KMPI BA BILAT REFORM POL

SUBJECT: NDI PROGRAM DIRECTOR SET TO DEPART BAHRAIN

REF: MANAMA 804

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) and (d)

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Summary

¶11. (C) NDI Program Director for Bahrain Fawzi Guleid is to depart Bahrain May 12 after negotiations on an MOU regularizing NDI's status in Bahrain reached an impasse and the government advised that Guleid's residency permit had expired. Guleid hopes to continue supporting programs for Bahrain from outside the country, including a retreat later this month in Morocco for Bahraini political societies. BIPD chief Lulwa Al-Awadhi reiterated again yesterday that NDI must sign an MOU with BIPD if it is to operate legally in the country. Meanwhile, we are still awaiting a response from the Foreign Minister to DNSA Abrams' letter proposing a possible compromise as a way forward. Guleid's imminent departure has been a dominant story in the Bahrain press in recent days, with most reaction strongly supportive of NDI and Guleid. Nonetheless, it is clear that there are elements in the Bahraini leadership who, for one reason or another, have been apprehensive about Guleid's and/or NDI's activities in Bahrain.

DEPARTURE SET FOR MAY 12

¶12. (C) National Democratic Institute (NDI) Program Director Fawzi Guleid plans to depart Bahrain May 12 after attempts to negotiate an MOU that would have allowed NDI to continue working in Bahrain proved unsuccessful and the government advised Guleid that his residency permit in Bahrain had expired. While interventions by the Ambassador and Minister of Industry and Commerce Hassan Fakhro succeeded in extending Guleid's departure date till the end of June (to allow his child to finish the school year), Guleid told the Ambassador that, having already packed out and planned for the May 12 departure, his family decided to leave on that date.

GULEID'S PLANS

¶13. (C) In a farewell call on the Ambassador May 10, Guleid discussed his thoughts on next steps for NDI in Bahrain. He noted that he will return to Washington and then turn around and travel to Morocco for a May 20-28 retreat he has organized in Rabat under the title "Bahraini Political Society Leadership Retreat." He said that representatives from several Bahrain political societies intend to participate, although one recently dropped out. For the future, he indicated that he could continue to conduct programs from NDI's Washington office or another nearby country. He said that NDI could work through civil society

groups, providing funding for programs or sponsoring speakers. Alternatively, NDI could organize programs outside Bahrain and sponsor participants from Bahraini NGOs or political societies. He talked of the possibility of working directly with individual political societies.

NEXT STEPS?

¶4. (C) Still outstanding is the issue of NDI's future status in Bahrain and how to move forward. There are two possible tracks in play. One is the draft MOU, which was under negotiation for several months between NDI and the Bahrain Institute for Political Development (BIPD). Discussions reached an impasse when BIPD head Lulwa Al-Awadhi pulled back and insisted on sticking to her original text. In a statement reported in the press May 11, Al-Awadhi reiterated that NDI must sign a memorandum of cooperation with the BIPD if it is to continue to operate in Bahrain. She reportedly stated that NDI had been operating without any legal basis, and that its activities were illegal because the new political societies law prevented foreign organizations from providing technical or financial support to Bahrain's political societies. She stated: "We are currently in negotiations with NDI, and the reason that Mr. Guleid's residency hasn't been renewed is because they failed to respond to our latest correspondence with them. Signing a memorandum of cooperation with us would have allowed Mr. Guleid to stay here and continue to work with the political societies."

¶5. (C) The second track is an April 1 letter from Deputy NSA Elliott Abrams to Foreign Minister Shaikh Khalid, which outlined how BIPD's final MOU offer put unacceptable

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restrictions on NDI and proposed a compromise under which a letter from the MFA or the BIPD describing NDI's planned program in Bahrain could act as a legal basis for NDI's existence in Bahrain. Shaikh Khalid, who has been traveling extensively in recent weeks and is expected to travel to Europe next week, has not yet answered the letter. In a meeting with the Ambassador May 6 (reftel), Shaikh Khalid stated that the Government of Bahrain wants NDI to work in the country and hopes NDI and BIPD can reach an agreement on an MOU governing NDI's activities. He reiterated previous comments that Bahrain is unhappy with Guleid because he had become too close to the opposition, but stressed that Bahrain still wanted NDI here.

LOCAL REACTION

¶6. (U) The imminent departure of NDI's representative and what it means for the future of NDI in Bahrain has been a dominant local story in the press this week since the news broke that Guleid was departing. With a couple of predictable exceptions (the virulently anti-U.S. Islamist MP Shaikh Mohammed Khalid said that the day Guleid left would be a joyful one), the reaction has been supportive of Guleid and NDI. Council of Representatives (COR) first deputy chairman Abdulhadi Marhoon said publicly that NDI had provided members of the COR valuable advice and had helped advance political reform in the country. MP Jassim Abdul A'al told the press that he did not agree that Guleid's activities had been illegal. "It is not illegal at all," he stated. "Her (Al-Awadhi's) information is all mixed up. The political societies law doesn't allow foreign organizations to provide funding, but it doesn't prevent them from providing technical support. Mr. Guleid's leaving Bahrain is a big loss for Bahrain and for our society."

¶7. (U) Al Wa'ad president Ebrahim Sharif referred to NDI's departure as an expulsion by the GOB. He said that the BIPD "cannot compete with NDI because it does not have open-minded

people like NDI has." Al Meethaq Society President Ahmed Juma said he regretted that NDI's negotiations met a dead-end and expressed hope that talks could continue until a compromise was reached. Al Wefaq member Jalal Fairooz said that this move by the government is not wise. "Political societies and NGOs will lose the expertise of an international institution, whose purpose was to equip politicians with practical skills."

¶18. (U) The Bahrain Youth Forum (BYF), which held a farewell reception for Guleid May 10, released a statement in which it demanded that the government fill the gap in the law to allow foreign organizations like NDI to work in the country. BYF expressed its appreciation for the role NDI has played to advance the level of performance of civil society groups and political societies. It said it would like to host Guleid in Bahrain for future events.

COLUMNISTS

¶19. (U) In his May 9 column, Arabic daily Al Wasat Editor-in-Chief Mansoor Al Jamri expressed his appreciation for the contribution Guleid has made to Bahrain and its citizens. BIPD had spread rumors that, because NDI was working for the U.S., it was meddling in Bahrain's internal affairs. He stated the real reason for Guleid's departure was that the government did not want NDI in Bahrain because his work with the opposition would improve its effectiveness in parliament.

¶10. (U) Columnist for Al Watan Arabic daily Sawsan Al Shaer also focused on how the GOB has treated Guleid in her May 10 column. This treatment was contrary to traditional Bahraini hospitality, resulting in private individuals apologizing to him for the government's behavior. Normally the government makes efforts to clarify the public's misunderstandings about policy decisions. However, in this case, the GOB has not done this, so its decisions seem arbitrary. "The government looks terrified, weak and reluctant about reforms. Civil society institutions will need to adjust themselves to this new reality."

COMMENT

¶11. (C) Bahraini officials have offered two basic explanations for why the NDI issue has reached an impasse. One is unhappiness with Guleid, who allegedly became too closely associated with Shia opposition elements. In fact, Guleid worked with all societies, including of course

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opposition societies like Al-Wifaq, whom he encouraged to participate in this year's elections. The second explanation was the legal issue and the need to have NDI's status regularized after several years of operating under the blessing and sponsorship of the royal court. Beyond these concerns, there are undoubtedly deeper issues at play. The government is nervously approaching the upcoming election and worried about how the elections will proceed with the now-announced participation of major Shia opposition society Al-Wifaq. And Iran under President Ahmadinejad, with its feared ability to cause mischief with Bahrain's Shia community, is making the leadership increasingly nervous. Recent attacks on the U.S. and the U.S. Embassy for its alleged contacts with Bahrain societies in the Arabic daily Al-Watan, known to have ties to the palace, is an indication of the skittishness of some in the leadership. When the Ambassador suggested to a Shura Council member (and supporter of NDI) that NDI simply wanted to be able to operate in Bahrain as it did in many other countries in the Arab world, he responded that Bahrain was different because of its Shia/Sunni issue and closeness to Iran.

¶12. C) All this is not to say that there isn't hope for a positive resolution of this issue. NDI has many friends here, as the public reaction has so well highlighted. The departure of Fawzi Guleid will remove him as an alleged factor, and allow us to test whether the government will now be willing to show the needed flexibility.

MONROE